

Opening Statement  
Chairman Tom Davis  
Government Reform Committee Hearing  
on National Guard Pay Problems  
January 28, 2004

I would like to welcome everyone to today's hearing on the state of the Department of Defense and Department of the Army's efforts to correct the current inadequacies in payroll processes that are negatively effecting Army National Guard members mobilized to active-duty status.

This hearing is the first quarterly review promised the Committee by DOD last year, and we look forward to hearing about the steps it has taken and proposed to correct the problems uncovered in the November 2003 General Accounting Office study.

The study outlined the scope and severity of the pay problems, and it was not a pretty sight. We're talking about soldiers being erroneously billed debts close to \$50,000 each. We're talking about injured soldiers being denied active duty pay because medical extensions were not processed. We're talking about three-month delays in active duty pays. We're even talking

about a soldier who came under enemy fire during a four-day trip he had to make to deliver records to fix payments errors.

The traditional concept of Guardsmen serving one weekend a month and two weeks a year to perform state disaster relief and train for federal service was shattered after September 11, 2001. These men and women are no longer “weekend warriors.”

Today, members of the Army National Guard fight side by side with regular armed forces members in combat throughout the world. Approximately 100,000 Army National Guard members are currently called to active duty for mobilization to Iraq and Afghanistan. Since 9/11, close to 140,000 have seen action in Operation Enduring Freedom, Operation Noble Eagle and Operation Iraqi Freedom. As of today, 23 Army National Guard personnel have been killed in action in service to our country.

The fact is, today we are relying on the National Guard as never before -- to support the regular armed forces in combat, to protect the homeland, and to provide emergency and security response for each State. With all that we expect of the Guard, ensuring that each member receives accurate and timely pay and

allowances for job performance and risk of life should be a top priority for Congress and the Administration.

If we do not make the investments needed to remedy this problem, we will be guilty of that old saw about knowing the price of everything and the value of nothing.

I am sure that virtually all Members of the Committee have heard from Guard members and their families about the effects of increased mobilizations and increased mission responsibilities.

In my State of Virginia, Sergeant First Class Curtis Dunn of the Virginia National Guard, B Company, 3<sup>rd</sup> Battalion, 20<sup>th</sup> Special Forces knows well the frustration and heartache caused by an inept pay system. At a press conference this past November, where we released the GAO study under discussion today, Sergeant Dunn gave us this picture:

*“Picture a soldier, sitting at a firebase, in the middle of nowhere Afghanistan. The heat is oppressive, and they’ve been out on patrol all day, sucking dust. He’s potentially had a few shots taken at him, or watched a couple of rockets head toward him out of the night sky. It’s finally his turn for the few minutes of satellite phone usage that each soldier is allotted for the week, and he calls home. He’d like to spend that precious time reassuring his family, telling his wife and children how much he loves and misses them... Instead he has to utilize the majority of the time discussing*

*finances and trying to determine if he's been paid correctly and making sure his family has enough money to pay bills."*

Or the March 23, 2002 letter from Sergeant Dan Romero to his fellow Sergeant in the Colorado Army National Guard, which Major Chavez will mention in his testimony today:

*"Are they really fixing pay issues, are they putting them off until we return? If they are waiting then what happens to those who (God forbid) don't make it back?"*

Sergeant Romero was killed in action 23 days later in Afghanistan, and I would really like to hear today that his family isn't wasting their time and energy fixing errors in his pay.

Today's hearing is the Government Reform Committee's first in reviewing areas of concern with the National Guard. We have follow-up studies in the works on Army Reserve Pay issues, medical extensions and readiness, and travel reimbursements. This Committee has also asked GAO to look at National Guard readiness and the effects of increased mission and mobilization. The study will focus on the resources available to the Guard in an effort to evaluate if they are receiving the direction, equipment and training they need. This study will be complete in April this year.

It has also come to the Committee's attention that military personnel are being blocked from enrolling in supplemental life insurance programs. This is troublesome. I don't understand why such an anti-competitive, anti-freedom of choice policy is being implemented, and we're going to look at this more closely.

The challenge of integrating pay systems and processes is not singular to the Department of the Defense, nor is it a problem that cropped up over night. We are certain that all the Department's witnesses here today are committed to fixing Guard payroll problems. To their credit, DOD, the Army and the National Guard Bureau have been working diligently to correct the problems identified in the GAO report. Certainly the integration of payroll systems in such a massive department will be a long and difficult process, but there is much that can be done in the short term to mitigate the problem.

We will be hearing today from Assistant Secretary of the Army, Mr. Ernest Gregory; Mr. Patrick Shine, Director of the Defense Finance and Accounting Service; and Lieutenant General Roger Schultz, Director of the Army National Guard. I also welcome several representatives from the General Accounting Office who worked on this study. We are especially pleased to

hear from Major Kenneth Chavez, Unit Commander, B Company, 5th Battalion, 19<sup>th</sup> Special Forces, Colorado Army National Guard, who has come here to represent his unit by sharing firsthand accounts of the problems they're encountering.

As promised, the Department has mapped out immediate and long-range milestones and has made progress in effecting changes. I know we all look forward to hearing what has been done to date, and what we can expect in the weeks and months to come.